

SECRET

DCI/IC 85-3635/1

19 June 1985

MEMORANDUM FOR: Director, Intelligence Community Staff

FROM: [REDACTED] 25X1  
Director, Program and Budget Staff

SUBJECT: HAC Request for IC Audit Reports

1. Recommended Action: That you sign the attached letter. [REDACTED] 25X12. Background: The House Appropriations Committee (HAC) has requested that the Community provide audit reports to the Committee; DoD evidently does this on a regular basis (see attached HAC letter). A survey of Community members revealed that: [REDACTED] 25X1

-- Auditing of DoD components is under the direction of the DoD Inspector General and, therefore, the intelligence organizations do not have internal audit staffs that perform the functions of interest to HAC. The one exception is the recently established Army Assistant Chief of Staff for Intelligence Audit Team which has not yet produced any reports. Consequently, questions regarding DoD component audit reports should be directed to the DoD IG. [REDACTED] 25X1

-- CIA audit reports are internal management documents that are by design exception reports, which would be of little use in their present form to outside reviewers. Moreover, they contain sensitive information on sources and methods. It is recommended, therefore, that they not be provided to the Committee. Data on CIA auditing procedures, however, can be transmitted to HAC in response to their request. [REDACTED] 25X1

Attachment:  
As stated (DCI/IC 85-3635)

[REDACTED] 25X1

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SUBJECT: HAC Request for IC Audit Reports

Distribution: (DCI/IC 85-3635/1 w/att DCI/IC 85-3635)

ICS/PBS,  (17 Jun 85)

25X1

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Director  
Intelligence Community Staff  
Washington, D.C. 20505

DCI/IC 85-3536

Mr. John Plashal, Staff Assistant  
Mr. Robert Davis, Staff Assistant  
Subcommittee on Defense  
Committee on Appropriations  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Messrs. Plashal and Davis:

In regard to the House Appropriations Committee's request concerning Intelligence Community (IC) audit reports, Department of Defense (DoD) Directive 7600.2 (dated 10 January 1985) vests all authority for the audit function within DoD with the DoD Inspector General (IG). Consequently, it would be inappropriate for the IC Staff to respond to questions on the auditing of IC programs located within DoD. Inquiries should be directed to the DoD IG. We have no objection to the DoD IG sharing this information with the Committee if release of any such reports is handled in accordance with P.L. 86-36.

25X1

Additionally, we do not believe it is appropriate to provide copies of Central Intelligence Agency (CIA) audit reports to the Committee. CIA audit reports are internal management documents that are by design exception reports, which would be of little use in their present form to outside reviewers. Moreover, the audit reports contain some of our most sensitive information on sources and methods and, therefore, their dissemination should remain limited. Attached is the information requested concerning the audit procedures within CIA, which we trust will be of use to you in your deliberations.

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3. Please let us know if you have any further questions on this matter.



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25X1

Attachment:  
As stated

25X1

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SUBJECT: Intelligence Community Audit Reports

Distribution: (DCI/IC 85-3635)

ICS/PBS

25X1

- 1 - Addressees (Messrs. Plashal and Davis, HAC)
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